MULTIMEDIA UNIVERSITY

STUDENT ID NO

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FINAL EXAMINATION

TRIMESTER 2, 2019/2020

BMR3154 – BUSINESS TO BUSINESS MARKETING

(All Sections / Groups)

7 MARCH 2020
9.00 am – 11.00 am
(2 Hours)

INSTRUCTIONS TO STUDENT

1. This question paper consists of 3 pages with 4 questions excluding the cover page.

2. There are two sections in this question paper:
   Section A: TWO (2) case questions. Attempt **ALL** questions.
   Section B: TWO (2) structured questions. Attempt **ALL** questions.

3. Please write your answers in the Answer Booklet provided.

SECTION A: Case Questions [50 Marks]
Answer Question 1 and 2 based on the case below. Attempt ALL questions.

Hewlett-Packard Challenges from a Diverse Mix of Demanding Customers

A strategist at Hewlett-Packard (HP) notes:

Knowing customers' needs is not enough... We need to know what new products, features, and services will surprise and delight them. We need to understand their world so well that we can bring new technology to problems that customers may not yet truly realize they have.

HP serves a variety set of customers in the business market and devotes special attention to the Global 1,000- the 1,000 largest enterprises in the world. Across these organizations, however, different perspectives and approaches are used in making information technology (IT) purchases. This diversity across customer groups presents a host of challenges for HP.

- *Customer Group A* demands a wide variety of IT products, routine maintenance support, and customized services. These customers value the relationship with HP and willing to pay a premium for product and service quality.

- *Customer Group B* wants high-quality IT products (e.g., printers, servers) but, most of all, these customers want a rock-bottom price and choose suppliers on that basis.

- *Customer Group C* demands both quality products and extensive services supports but want all of this for a "rock-bottom" price. These customers will freely switch from one supplier to the next. As competition intensifies for HP and others in the IT sector, more customers are moving into this group each month.

Source: Hutt, M. D. and Speh, T. W. (2010), Business Marketing Management, 10th Edition, Cengage Learning.

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QUESTION 1

The new era of business marketing is built upon effective relationship management. Nurturing and managing relationships have merged as an important strategic priority in most B2B firms.

a) Discuss the **THREE (3)** relationship types in B2B context: transaction exchange, value-added exchange, and collaborative exchange. (9 marks)

b) Suggest a relationship type that suits to HP and their Group A Customers. Justify the relationship type based on: information exchange, trust, and operational linkage. (11 marks)

c) Discuss how HP can apply "flaring out by unbundling" relationship bandwidth strategy with their Group B Customers. (5 marks)

(Total: 25 marks)

QUESTION 2

HP often strive to understand their customer world and bring new technology to problems that customers may not yet truly realize they have. However, purchasing a wholly new technology can be a challenging buying situation to most HP's customers.

a) Discuss the following levels of procurement development in B2B context: leveraged buy, linked buy, value buy, and integrated sell. (10 marks)

b) Suggest and justify a procurement level that suits to HP's Group A Customers in purchasing IT products, routine maintenance support, and customized services from HP. (5 marks)

c) Buyers operate in extensive problem solving stage under new task buying situation. Discuss the following new task buying approaches: judgmental new task and strategic new task. (5 marks)

d) Suggest and justify a new task buying approach that suits to HP's Group A Customers in their first purchase of IT products, routine maintenance support, and customized services from HP. (5 marks)

(Total: 25 marks)

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SECTION B: Structured Questions [50 Marks]
Attempt ALL questions.

QUESTION 3

By providing a solution for customers, the product is the central force of business marketing strategy. The firm's ability to put together a line of products and services that provide superior value to customers is the heart of business marketing management.

a) Discuss the categories of industrial product lines in B2B context: proprietary products, custom-built products, custom-designed products, and industrial services. (16 marks)

b) Business products often go through Chasm, Bowling Alley, Tornado, and Main Street phases in technology adoption life cycle. Suggest **THREE (3)** strategies that business organization must implement during Tornado stage to capitalize on the opportunity the broad market presents. (9 marks)

(Total: 25 marks)

QUESTION 4

The factors that distinguish business marketing from consumer marketing are the nature of the customer and how customer uses the product/service.

a) Discuss how customers in business market use the products they purchased for incorporation, consumption, use, and resale. (10 marks)

b) Discuss the classification of goods in the business market: entering goods, foundation goods, and facilitating goods. (15 marks)

(Total: 25 marks)

End of Paper.